

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

<b>UNITED STATES OF AMERICA</b>	*	<b>CRIMINAL DOCKET NO. 09-225</b>
<b>v.</b>	*	<b>SECTION: "A" (5)</b>
<b>LORETTA PAZON</b>	*	<b>VIOLATION: 18 U.S.C. § 641</b>

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**FACTUAL BASIS**

Should this matter have gone to trial, the Government would have proved beyond a reasonable doubt, through the introduction of competent testimony and admissible, tangible exhibits, the following facts to support the allegations charged by the Indictment now pending against the defendant, **LORETTA PAZON ("PAZON")**.

The defendant, **PAZON**, has agreed to plead guilty to the one-count indictment currently pending against her, charging her with one count of theft of government funds, in violation of Title 18, United States Code, Section 641.

An official from the Social Security Administration ("SSA") would testify that the SSA is an agency of the government of the United States of America. Further, an employee of the SSA would testify that the Social Security Act was enacted to provide for the general welfare by establishing a system of federal benefits, including federal funds provided to eligible applicants pursuant to different provisions of the Act. Title II of the Social Security Act specifies who is eligible to receive Survivor Benefit Payments ("survivor payments"). The SSA official would testify

that, in general, survivor payments are benefits that are paid to individuals who are widowed by a prior recipient of SSA benefits and remain unmarried.

An official from the SSA would testify that, beginning on or about September 1964, **PAZON**'s mother began receiving survivor payments due to the death of her husband. This SSA official would further testify that, since or about June 1999, these survivor payments were directly deposited into a Capital One checking account, owned by **PAZON**'s mother, established and located in New Orleans, Louisiana, in the Eastern District of Louisiana.

An official from Capital One would testify that sometime prior to February 2003, the defendant, **PAZON**, was added to her mother's Capital One checking account established and located in the Eastern District of Louisiana.

An official from the SSA would testify that, on February 6, 2003, **PAZON**'s mother died but, despite this fact, the defendant, **PAZON**, failed to notify the SSA of her death. As a result, the monthly survivor benefit payments continued to be deposited in the Capital One checking account in the Eastern District of Louisiana, shared by **PAZON** and her deceased mother.

A special agent from the Social Security Administration, Office of Inspector General ("SSA-OIG"), would testify that, in July 2007, the SSA-OIG was alerted to possible fraud in connection with the survivor payments paid to **PAZON**. A review of **PAZON**'s file revealed that, although her mother had died in February 2003, the SSA was never alerted to her death and, as a result, the monthly survivor benefit payments continued to be deposited in the Capital One checking account located in the Eastern District of Louisiana. The special agent from the SSA-OIG would further testify that, had the SSA been alerted to her mother's death in February 2003, the SSA would have

stopped the monthly survivor benefit payments that were being directly deposited in the Capital One checking account, as **PAZON**'s mother was the only individual entitled to them.

Documents from Capital One, as well as the SSA records, would be introduced into evidence that would show that the payments issued after **PAZON**'s mother's death in February 2003 consisted of monthly benefit payments paid by checks in varying amounts. A special agent from SSA-OIG would testify that, after reviewing **PAZON**'s SSA file and documents, \$16,952.00 was wrongfully obtained by **PAZON** and overpaid by the SSA from February 2003 through August 2007. Thus, the SSA-OIG special agent would testify that the loss to the government which is directly attributable to the unlawful conduct of **PAZON** totals \$16,952.00.

Additionally, a special agent from SSA-OIG would testify that **PAZON** was interviewed on April 30, 2009. The special agent from SSA-OIG would testify that, during this interview, **PAZON** agreed to give a voluntary and written statement. In that statement, **PAZON** confessed that she intentionally failed to report her mother's death in February 2003 to the SSA and, as a result, continued to receive the monthly survivor benefit payments, which were directly deposited in the Capital One bank account she shared with her mother. **PAZON** further stated that she would receive her mother's monthly survivor benefit payments and would utilize them for her personal expenses. Knowing that the SSA funds were benefit payments she was not entitled to, and with intent to deprive the usage of these funds from the true owner, **PAZON** admitted that she lied to the SSA in order to receive the monthly survivor benefit payments for her personal expenses.

Among other things, the SSA files of **PAZON** and her mother, as well as her mother's death certificate, the bank records from the New Orleans, Louisiana, Capital One checking account shared by **PAZON** and her mother, and an SSA report reflecting the total amount of overpayments from February 2003 through August 2007, would be introduced into evidence through competent testimony to further demonstrate the facts as stated above.

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LORETTA PAZON  
Defendant